Appendix G.

Birthday Session of the Mysore Representative Assembly.

DEWAN'S CLOSING REMARKS.

Dated 27th June 1923.

GENTLEMEN,

We have had a long and strenuous session. Three days were devoted to the discussion of subjects and two days to the Budget. Besides, we had to allot some time for Government business. I am sorry if by our prolonged sittings you have been put to any inconvenience. The attendance at this session was somewhat disappointing, for, out of a total of 280, the largest attendance recorded on any day was only 192. But the keen interest shown by the members present in the discussion as well as the insight and knowledge that was brought to bear on the intricate questions relating to our finances were a special feature this year. I thank the members for the general moderation which characterised their speeches and for the various suggestions and recommendations they have made for the improvement of our financial position.

Out of a total number of 127 subjects brought up for discussion, we had time only for 78 and amongst these, the most important subjects that evoked lengthy discussion related to the administration of income-tax, disposal of lands for cultivation, abolition of Jamabandi, grant of lands to depressed classes at concession rates, encouragement of the growth of sandalwood trees, delay in the disposal of Civil suits and the constitution of the Representative Assembly. At this stage, I do not wish to refer in detail to these matters. I have, as far as I could, given definite replies on behalf of Government to most of the representations made and I shall see that formal orders on all questions brought up are expedited. It is gratifying that a large number of the members present took part in the budget discussion. Government have to thank this Assembly for the friendly reception of the budget as a whole. It is only to be expected that the Assembly should press for further development of our resources and also further reduction of expenditure, the necessity of which I have already indicated in expounding our financial policy. The directions in which these objects could be pursued are questions regarding which there would naturally be differences of opinion, and all I need assure this Assembly is that Government will not slacken

their efforts to bring about further improvement. The general lines of policy already laid down will be carefully followed.

It is only natural that people should object to additional taxation, but the actual additional burden is after all only that imposed by the amending Regulations relating to income-tax, court-fees and stamps and it can hardly be said that this will fall on the poor ryots.

In reply to the general criticism that adequate provision has not been made under certain heads, I can only say that all legitimate demands of departments for increased grants have been carefully examined and it is not possible to go beyond the limit of expenditure fixed in the budget which itself is higher than the standard I have adopted for the triennium. I have clearly stated in my opening Address that we have not completed the survey of all the possibilities of economy and it is only too obvious to urge that additional expenditure for developments will not be possible unless there is corresponding improvement in our total normal resources which must show an appreciable surplus over normal expenditure.

In this connection, I wish to thank Mr. C. Narasimhaiya, for bringing up the question of the reserves and the financial policy relating to them. He has very ably argued the point regarding the interest due to the Mining Revenue Capitalization Fund. A few other members have also pointed out that the small surplus shown in the budget is not indicative of the real position as none of the essential reserves are provided for. This is quite a correct position to take up. Our financial position will continue to be unsatisfactory till we have money to put by for a rainy day; but although we have no need to borrow to keep the ordinary administration going as we had to do during the past few years of deficits, we still have no money for the reserves and there is no meaning in borrowing money to feed the reserves and thereby adding to our interest charges. No contribution has been made to the Famine Reserve Fund or to the Mining Revenue Capitalization Fund for the past three years. Although we have no money to credit the annual contribution to the Famine Reserve Fund the whole of which is now kept in liquid securities, we have provided for the interest earned by the fund itself being credited to it directly. But as regards the Mining Revenue Capitalization Fund, such an arrangement is not possible under our present financial condition specially as the fund itself does not exist in the form of cash or securities but has been used up for capital works and any charge to the revenue account for payment of interest to the fund will only create a deficit in the revenue budget which will mean that all our development proposals will have to be cut down

and further, we shall have to borrow for covering the deficit and be paying interest thereon. Even in England, when there is financial stress, the Chancellors of the Exchequer sometimes suspend payments to sinking funds in order to balance the budget. We have not gone so far. Our first charge on the revenue should be the interest and sinking fund charges on the public debt and this demand has been fully provided for. When there is further improvement, we shall be able to resume our contributions to the different reserves. As regards the Mining Revenue Capitalization Fund, I may remind you that according to the financial policy we have laid down for our guidance the whole of the net revenues from the royalty on gold will, as soon as our finances permit, be set free and utilised for building other revenue-producing assets. Under this arrangement there is no need for requiring the revenue account to pay interest to the Capitalization Fund in addition to sparing the whole revenue from royalty every year.

There has been a general complaint that the grants for primary education, village and town improvements, water-supply schemes, hospitals and dispensaries and minor tanks are not adequate and that larger provisions should have been made. I agree. It would have given me the greatest satisfaction if I could have found money for additional grants for these very desirable objects. The limitations imposed by our financial policy, however, I regret to say, make it totally impossible to supplement the provisions made in the budget. I shall, however, request the Financial Secretary to see if he cannot find by slight re-adjustment of revenue and expenditure, even at the cost of reducing our small surplus, additional grants to the extent of Rs. 84,000 to be distributed on the following heads in respect of which strong representations have been made:—

	Rs.
1. Grant for the annual repairs to school buildings	20,000
2. Restoration of the full amount originally sanctioned for backward class scholarships	17,000
3. Additional grant to District Boards for drinking water wells	10,000
4. Additional grant for seed, manure and agricultural implements ..	10,000
5. Additional grant for the restoration of minor tanks	20,000
6. Further measures for relieving congestion of work in Civil Courts ..	5,000
7. Co-operative Societies	2,000

I am very glad indeed to have had the opportunity of ascertaining your views generally on the important questions involved in the constitutional changes contemplated

in my announcement of last Dasara on the subject, although I am sorry I was not able to give more than three hours for the discussion. I have listened with great interest to the speeches of the members expressing every shade of opinion and I have been greatly impressed with the eloquence and enthusiasm with which they were expressed. For my part, I can give this assurance that while conveying the loyal message of the deep sense of gratitude of this Assembly to His Highness the Maharaja, I shall lay before His Highness all your representations with such recommendations as I and my colleagues deem it our duty to submit after deep and mature consideration, and that by such submission we shall see that these representations lose none of their eloquent expression or deep feeling.

You will no doubt deem it a great honour that during the discussions of this important subject, Their Excellencies Lord and Lady Willingdon so kindly paid the Assembly a friendly visit. I join with you in your expression of thanks for the honour they have done to this long-established and historic Assembly of Mysore.

This will be the last occasion on which I shall have the support of my learned colleague Rajamantrapravina Diwan Bahadur P. Raghavendra Rao, First Member of Council at the Assembly, as he will in a few days vacate office and proceed on long leave preparatory to retirement. On my behalf and on behalf of the members of this Assembly, I wish him long life, prosperity and every happiness in his well-earned rest after a strenuous, long and distinguished career in the service of His Highness the Maharaja in the State. I also take this opportunity of welcoming Mr. K. R. Srinivasa Iyengar to the Council and congratulating him on his elevation to the high office.

Gentlemen, in conclusion, I thank you all for the trouble you have taken and for all your friendly criticisms and suggestions. My thanks are specially due to you for the forbearance and good spirit with which you have taken my rulings and for the assistance you gave me in conducting the proceedings.

I now declare the Session closed and in doing so wish you all a safe and pleasant return to your homes.